



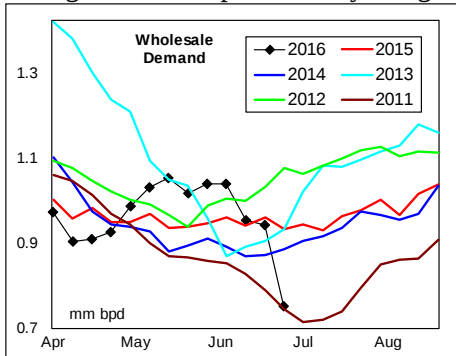
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

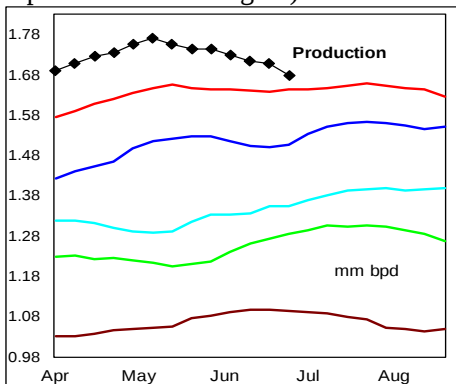
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

Summary¹:

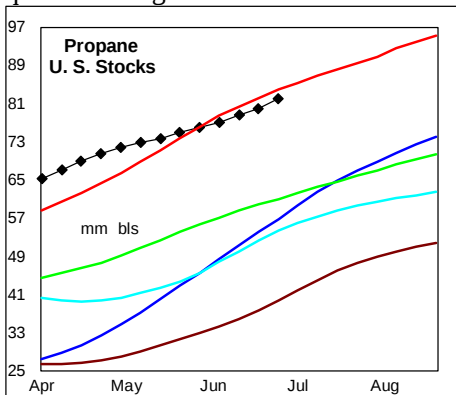
Wholesale demand for the last 4-wks averaged -49,000 bpd below a year ago.



Production increased +71,000 bpd during the last month compared to a year ago. The increase was concentrated in the Gulf and Midwest regions. Production decreased -62,000 bpd in the East Region (volumes shifted EIA reports to the Gulf region).



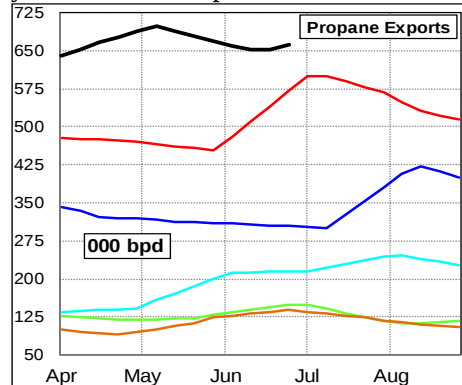
Stocks increased +2.5 million barrels on the week, a rate well above the 2nd quarter average.



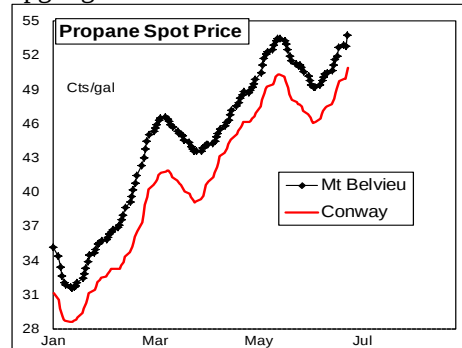
The cumulative seasonal stock build of +19.2 million barrels, was -11 million

barrels below last year. Stock levels ended the week -10 million barrels below a year ago.

Exports for the week ending 24Jun16 were +61,000 bpd above last year, at 661,000 bpd.



Price and Spreads Mt Belvieu spot price increased +1 cpg last week ending 29Jun16, while Conway prices were +2 cpg higher



The Conway – Mt Belvieu price spread was unchanged last week, ending at a level above the 3-yr mid range.

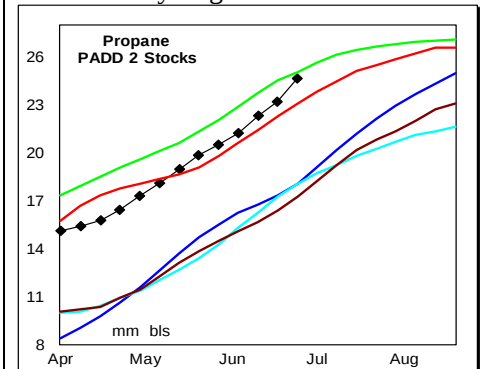
The propane to natural gas price spread extended a downtrend, driven by sharply higher gas prices, to trade a level near 5-yr lows.

The propane / crude oil price spread trended higher on the week, ending at a level above four of the last 5-yrs.

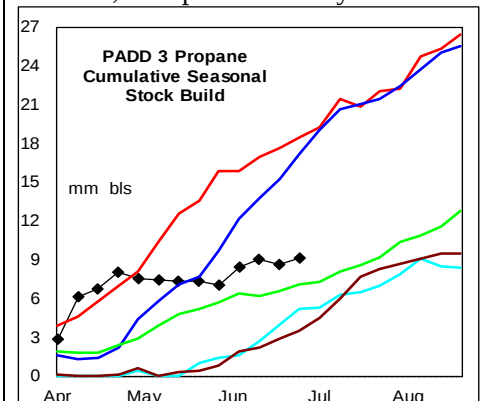
PADD 1 stocks increased +0.2 million barrels on the week, a level -22% below last year. Shipments to the Gulf region for export have led to stock draws during the last month. Supply was unchanged on the week.

PADD 2 supply decreased -81,000 bpd last week, on lower imports and production. Production for the latest 4-

wk period was +71,000 bpd above a year ago. Stocks increased +1.7 million barrels on the week, lifting stocks to a level near 5-yr highs.



PAD 3 stocks increased +0.5 million barrels on the week. Stock levels ended the week -1.8 million barrels below last year. Supply for the latest 4-wk period was +53,000 bpd above last year.



PADDs 4 & 5 stocks increased +0.1 million barrels last week, driven by near record imports. Stock levels ended the week -12% below last year, but above four of the last 5-yrs.

Emerging Trends Stock levels ended the week less than -2% below last year's record high for this time of year. The cumulative seasonal stock build is more than -10 million barrels below a year ago, driven by higher wholesale demand last month and growth in exports.

The growth in exports and uptrend in global energy prices continues to support an uptrend in wholesale propane prices. Slowing global economic growth risk a pull back in wholesale prices during the 3rd quarter.

¹ Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

June 30, 2016

Fundamental Trends for the Week Ending:

Friday, June 24, 2016

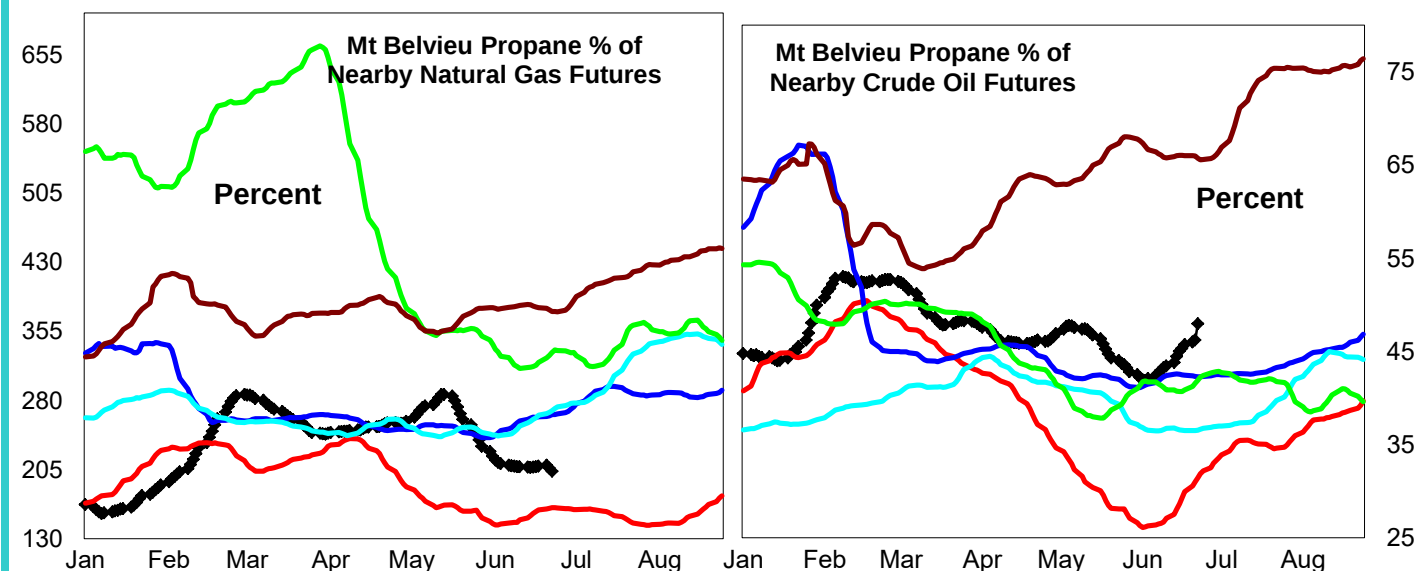
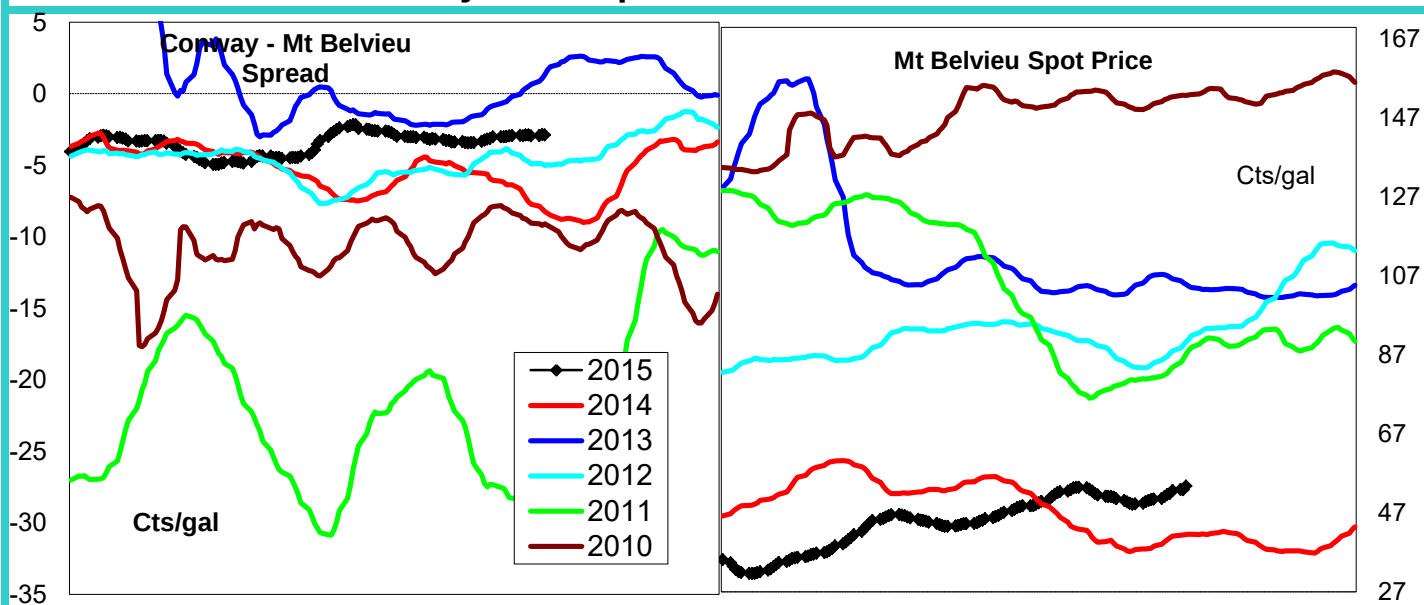
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	82,073	3,887	24,655	50,884	2,647	2,512	216	1,667	497	132
Propylene Stocks	3,267					193				
Production	1,673	156	388	938	191	-27	-1	-18	0	-8
Imports	73	24	33	0	16	-60	1	-63	0	2
Whsle Demand	726					-285				

Price Trends for the Week Ending:

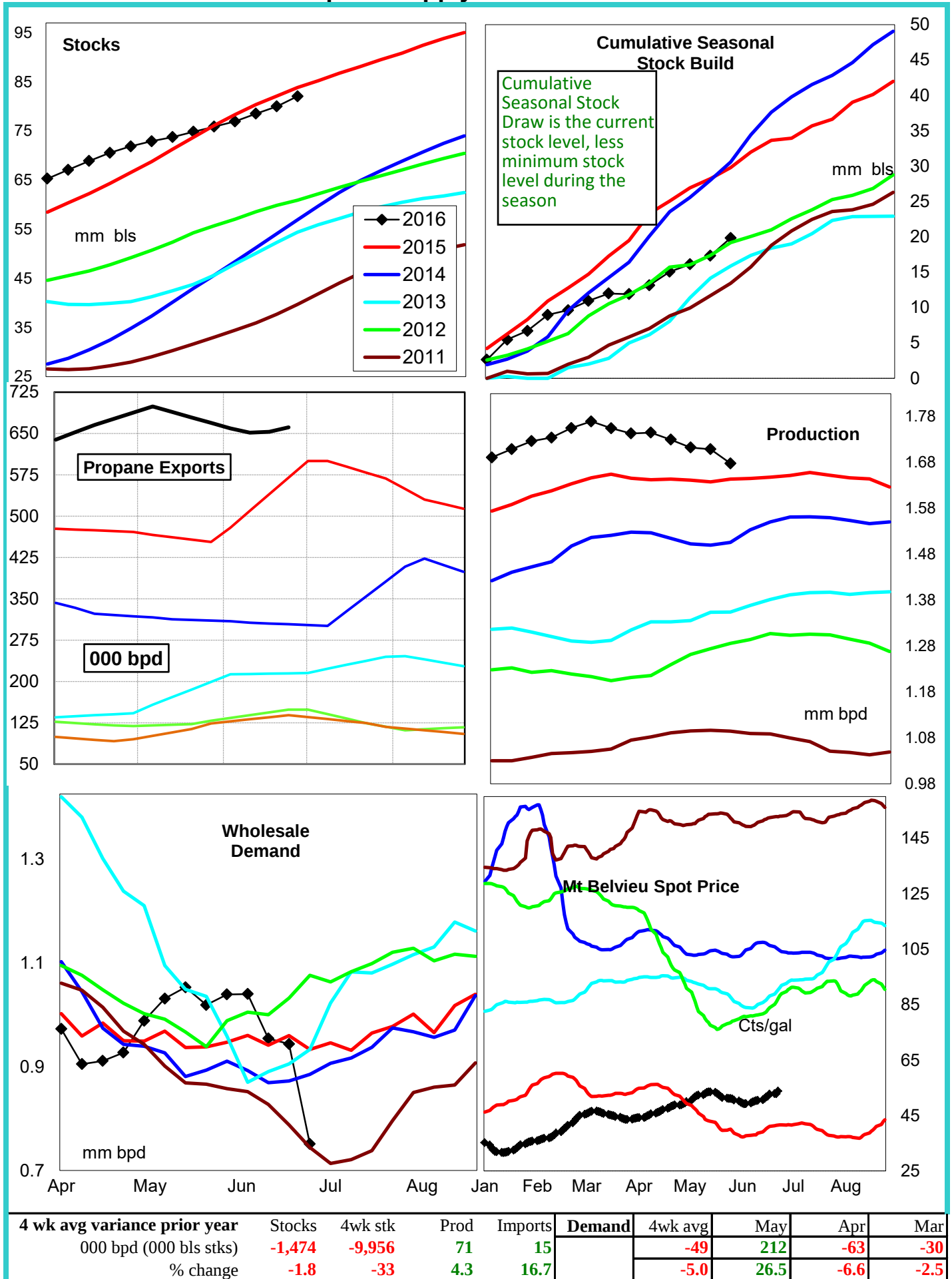
Wednesday, June 29, 2016

Cents/gal	Average for week ending:				Change from:			% change from:		
	6/29/16	6/22/16	6/1/16	7/3/15	6/22/16	6/1/16	7/3/15	6/22/16	6/1/16	7/3/15
Mont Belvieu Spot	53.0	50.9	52.4	42.7	2.05	-1.50	9.67	4.0	-2.9	22.6
Conway Spot	50.1	48.0	48.9	34.5	2.03	-0.85	14.43	4.2	-1.7	41.9

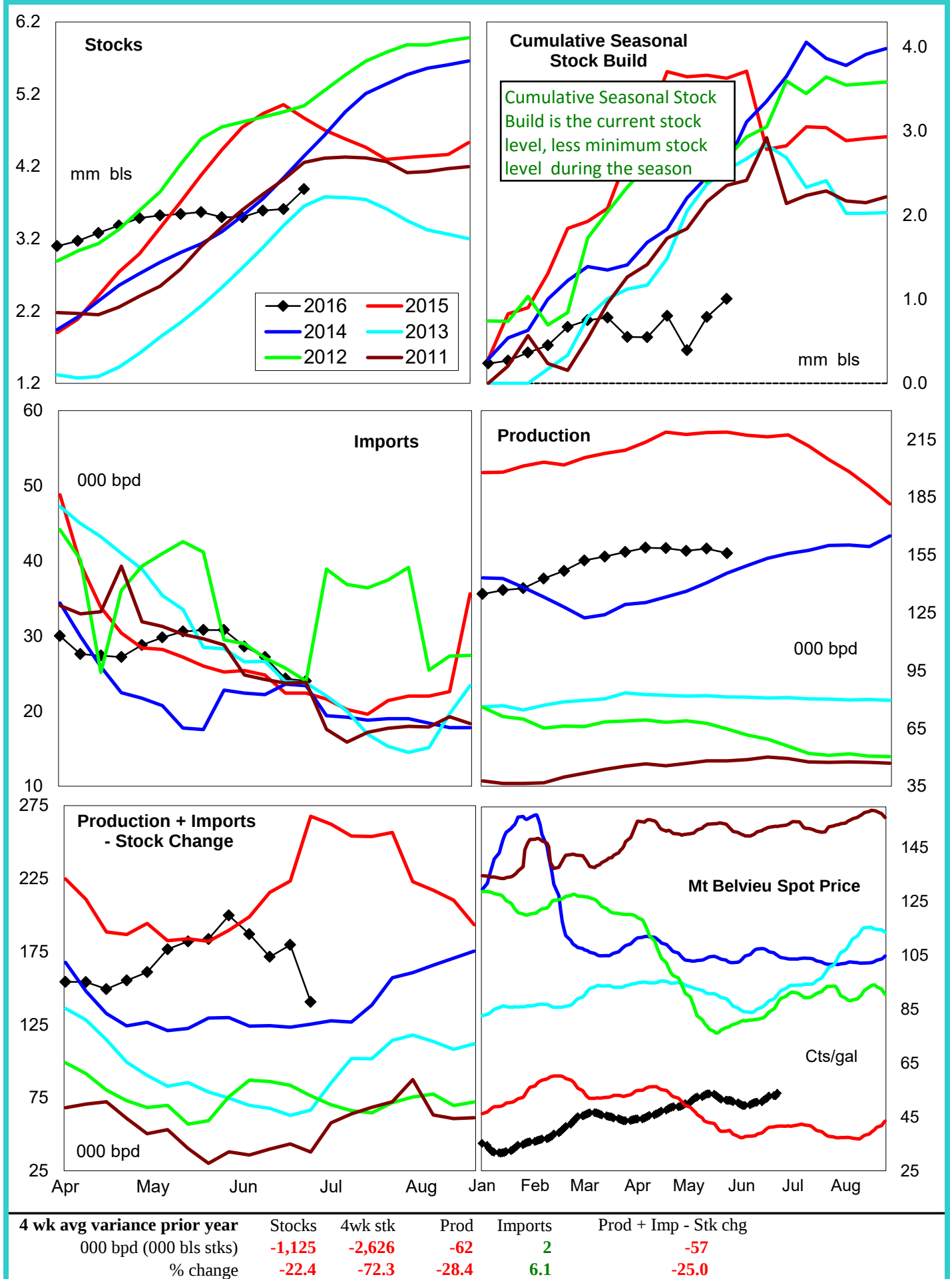
Key Price Spreads and Differentials



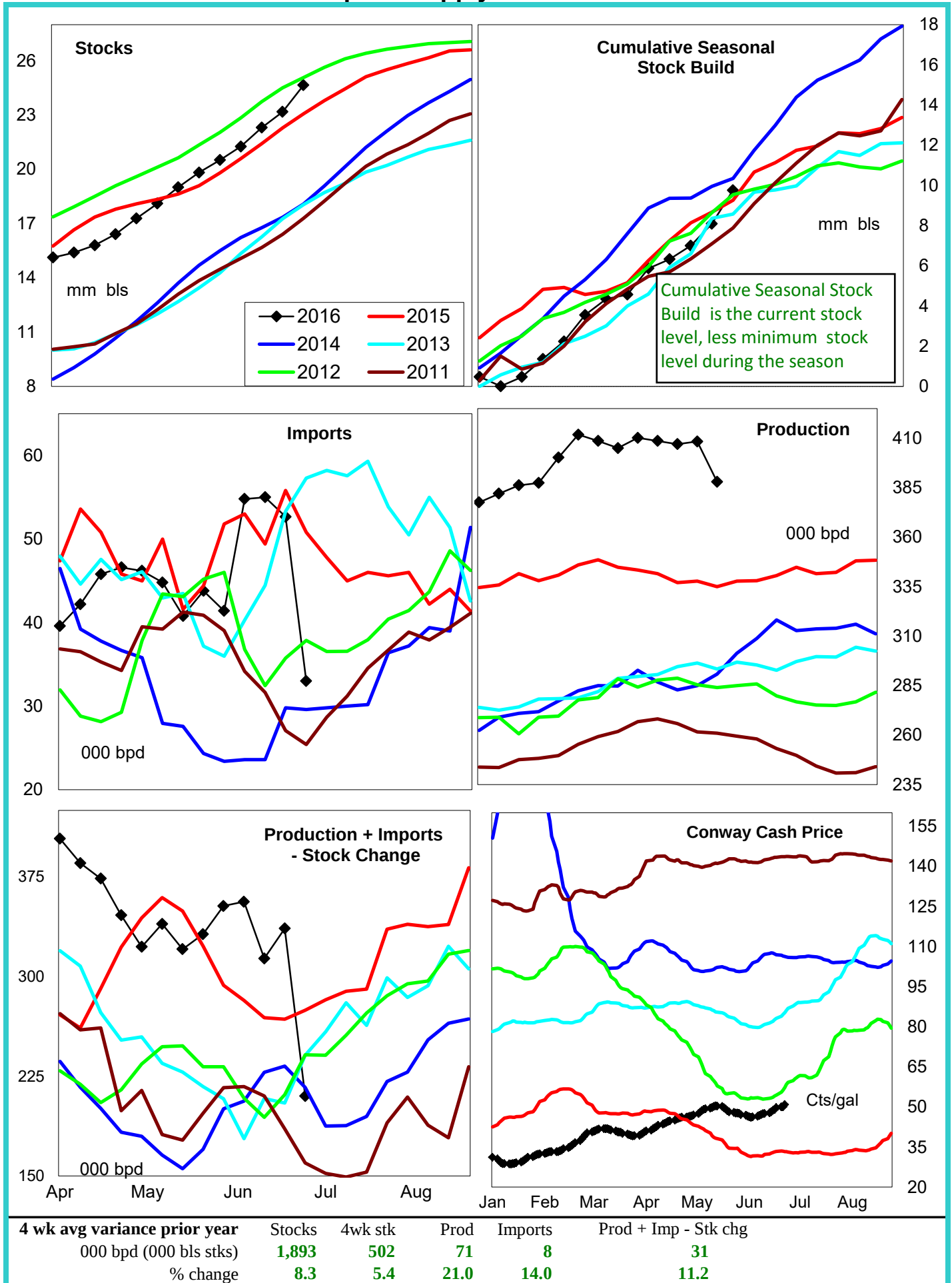
U. S. Propane Supply and Demand Balance



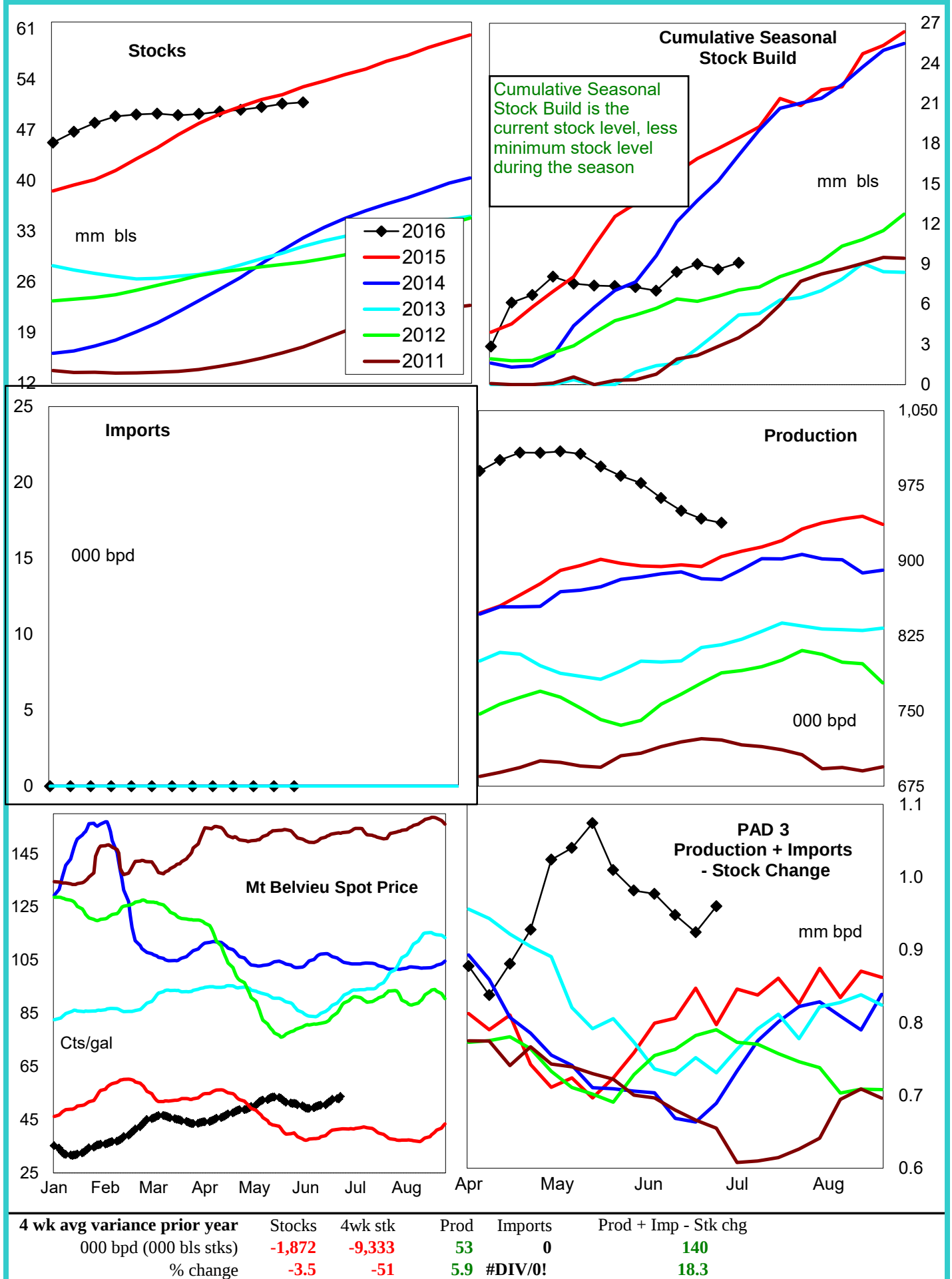
PADD 1 Propane Supply and Demand Balance



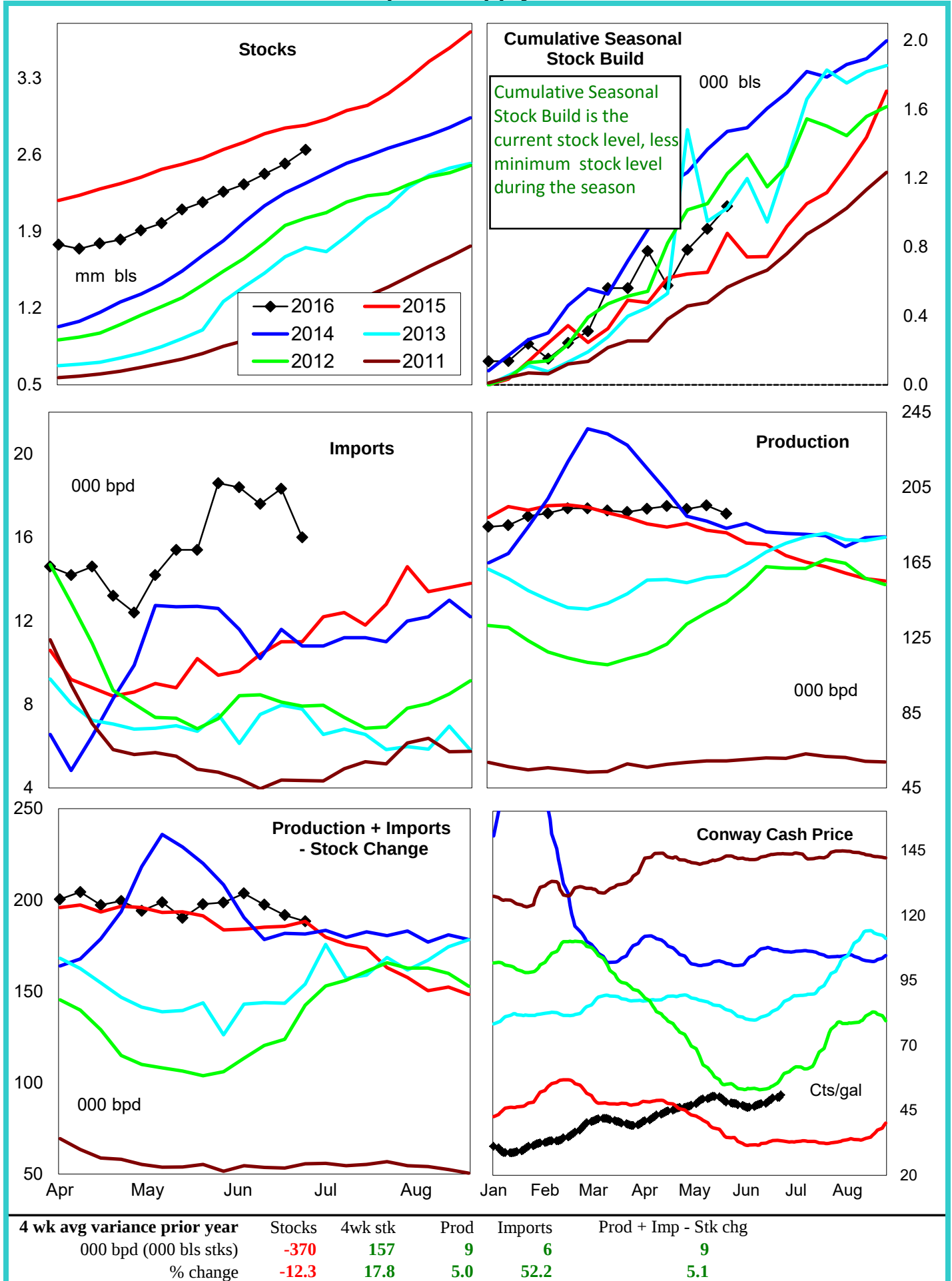
PADD 2 Propane Supply and Demand Balance



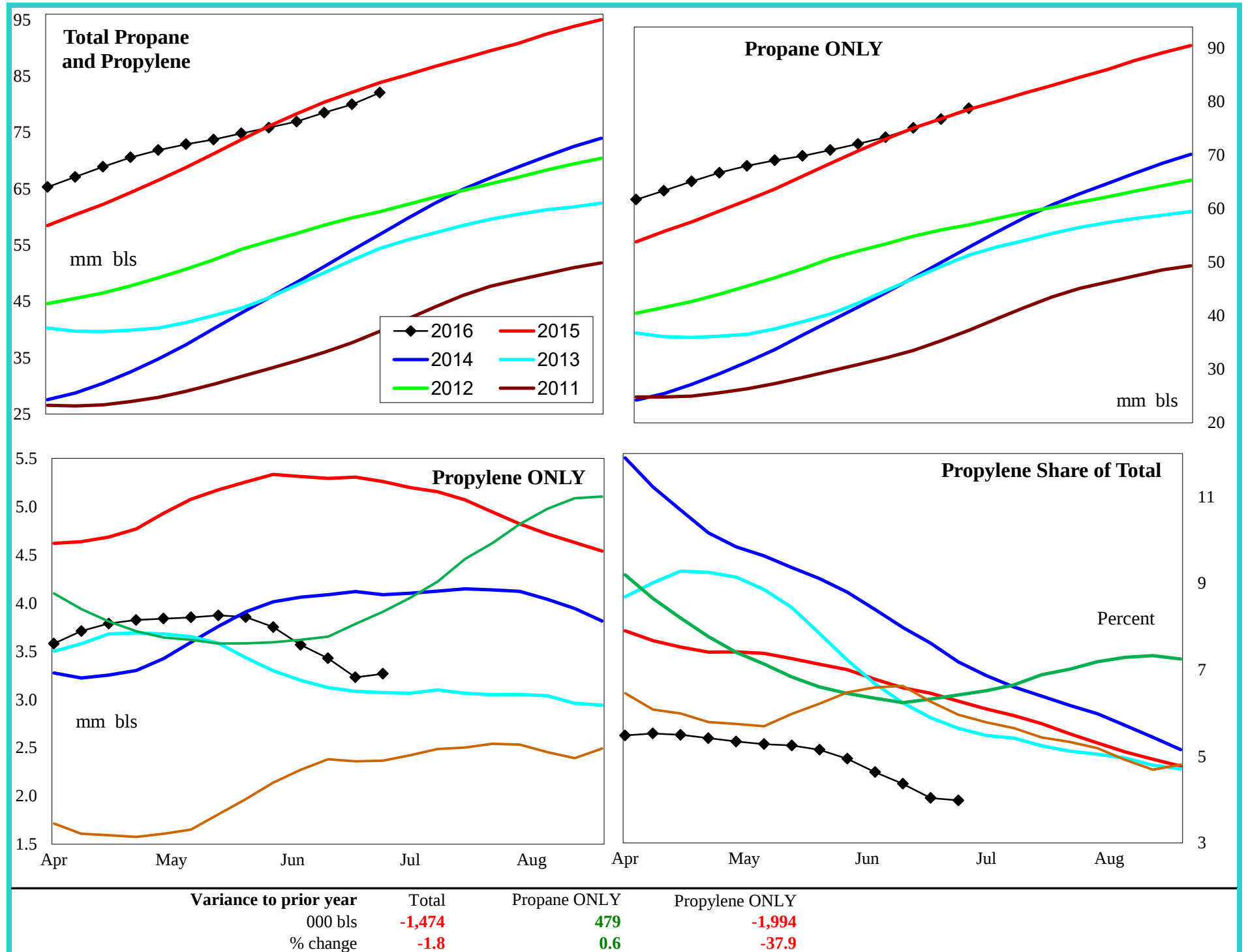
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



U. S. Petroleum Administrative for Defense Districts (PADDs)

